EXHIBIT 188

Exhibit 188

FICO

Fair Isaac Corporation
Rosedale Corporate Plaza
2665 Long Lake Road, Bldg C
Roseville, MN 55113 USA
T 612 758 5200
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www.fico.com

Make every decision count.™

April 3, 2014

BY EMAIL AND US MAIL

Ruth E. Holbrook
Program Specialist 3, Consumer Protection Division
103 East Holly Street, Suite 308
Bellingham, WA 98225-4310
belcrc@atg.wa.gov

Re: [redacted]

Dear Ms. Holbrook,

In response to your email on March 18, 2014 regarding a complaint filed by [redacted]s, FICO has done an investigation of the circumstances that have caused his FICO® Score to be negatively affected. As [redacted] discovered when Experian removed the Sallie Mae loan from his credit report, and his FICO Score "went back up to normal", the FICO Score is simply a mathematical model that interprets the credit information that is available in the credit bureaus.

The credit bureaus get their information from lenders, who voluntarily report the credit transactions of their customers. Generally, the credit bureaus do not alter or remove credit information received from lenders unless it is inaccurate, and in this situation, the information is not inaccurate: [redacted] did have a loan that was discharged through an assignment to the federal government. When that information is assessed by the FICO® Score, it is treated as a negative indicator, just as it would any other discharge of a debt or assignment of the debt.

The FICO® Score is generated by an algorithm that FICO developed using anonymous credit bureau data. It presents an assessment of credit risk based on objective factors that have been proven to correlate with such risk without making any assumptions about those factors. For example, the FICO algorithm does not consider why a loan discharge or an assignment may have occurred. It treats a discharge or assignment to a guarantor as a negative indicator of increased credit risk. Accordingly, the assignment of [redacted] Sallie Mae loan to the government, as contained in his credit report at Equifax and TransUnion, was interpreted by the FICO credit scoring algorithm as a negative indicator.

It appears in this situation that Sallie Mae's report to the credit bureaus – that [redacted] student loan had been assigned to the U.S. government and discharged – was accurate; the credit bureaus' coding of the loan discharge/assignment to the guarantor was accurate; and the FICO® Score model properly assessed the increased credit risk represented by the discharge. Going forward, [redacted] may want to request that Equifax and TransUnion remove the Sallie Mae loan entirely from his credit report (as Experian did), or he may want to explain this situation, as we have described it above, to prospective creditors.

FICO continually reassesses the predictiveness of its FICO® Score models, and we strive to make our models useful tools for creditors when the creditors need to make accurate predictions of the creditworthiness of credit applicants such as [redacted].

Sincerely,

Daniel L. Lowin

Daniel Lowin
Senior Counsel
FICO

CC: [redacted]

EXHIBIT
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[redacted]

EXHIBIT 189

EXHIBIT FILED UNDER SEAL

EXHIBIT 190

EXHIBIT FILED UNDER SEAL

EXHIBIT 191

EXHIBIT FILED UNDER SEAL

EXHIBIT 192

EXHIBIT FILED UNDER SEAL

EXHIBIT 193

EXHIBIT FILED UNDER SEAL

EXHIBIT 194

Student Loan Delinquency and Default

Loans must be repaid.

If you've missed a payment or are having trouble making payments, immediately contact and discuss options with the organization that handles billing and other services for your loan to avoid defaulting on your loan.

- For the William D. Ford Federal Direct Loan Program or the Federal Family Education Loan Program, contact your loan servicer.
- For the Federal Perkins Loan Program, contact the school where you received the loan for details. If you know that your Perkins Loan has been assigned to the U.S. Department of Education, contact the ECSI Federal Perkins Loan Servicer.

If you don't know who your loan servicer is, call the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243.

LOG IN

Automatic Administrative Forbearance and Temporary 0% Interest as a Result of the COVID-19 National Emergency

To provide relief to student loan borrowers during the COVID-19 national emergency, federal student loan borrowers are

automatically being placed in an administrative forbearance, which allows you to temporarily stop making your monthly loan payments. In addition, interest is being temporarily set at 0% on federal student loans. This 0% interest and suspension of payments will last from March 13, 2020, through Sept. 30, 2020, but you can still make payments if you choose.

Have questions? Find out what loans qualify, and get additional information about the 0% interest period, administrative forbearance, and other student loan flexibilities due to the COVID-19 national emergency.

Understanding Delinquency

SHARE LINK

It's important to pay the amount shown on your bill—and to pay by the due date.

The **first day** after you miss a student loan payment, your loan becomes past due, or delinquent. Your loan account remains delinquent until you repay the past due amount or make other arrangements, such as deferment or forbearance, or changing repayment plans.

If you are delinquent on your student loan payment for 90 days or more, your loan servicer will report the delinquency to the three major national credit bureaus. If you continue to be delinquent, your loan can risk going into default. Don't ignore your student loan payments—defaulting on your loan can have serious consequences. Learn more on how to avoid default.

Note: Credit bureaus may be called "consumer reporting agencies" on the promissory note you signed before receiving your loan.

If you have a poor credit rating, it can be difficult for you to obtain

- credit cards,
- home or car loans, or
- other forms of consumer credit.

Note: You may also be charged a higher interest rate than someone with a good credit rating.

You also may have trouble

- signing up for utilities,
- getting homeowner's insurance,
- getting a cell phone plan, or
- getting approval to rent an apartment (credit checks usually are required for renters).

Understanding Default

SHARE LINK

If your loan continues to be delinquent, the loan may go into default. The point when a loan is considered to be in default varies depending on the type of loan you received.

For a loan made under the William D. Ford Federal Direct Loan Program or the Federal Family Education Loan Program, you're considered to be in default if you don't make your scheduled student loan payments for at least 270 days.

For a loan made under the Federal Perkins Loan Program, the holder of the loan may declare the loan to be in default if you don't make your scheduled payment by the due date. Find out where to go for information about your Perkins Loan.

If you defaulted on any of your federal student loans, contact the organization that notified you of the default as soon as possible so you can explain your situation fully and discuss your options. If you make repayment arrangements soon enough after your loan has gone into default, you may be able to resolve the default quickly. Learn more about getting out of default.

Consequences of Default

SHARE LINK

The consequences of defaulting can not only impact your ability to borrow but can impact your finances as well. Consequences include the following:

- The entire unpaid balance of your loan and any interest you owe becomes immediately due (this is called "acceleration").
- You can no longer receive deferment or forbearance, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
- You lose eligibility for additional federal student aid.
- The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
- It may take years to reestablish a good credit record.
- You may not be able to purchase or sell assets such as real estate.
- Your tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan (this is called "Treasury offset").
- Your wages may be garnished. This means your employer may be required to withhold a portion of your pay and send it to your loan holder to repay your defaulted loan.
- Your loan holder can take you to court.
- You may be charged court costs, collection fees, attorney's fees, and other costs associated with the collection process.
- Your school may withhold your academic transcript until your defaulted student loan is satisfied. The academic transcript is the property of the school, and it is the school's decision—not the U.S. Department of Education's or your loan holder's—whether to release the transcript to you.

If You Are Delinquent or In Default, Your Loan Servicer Can Help

If you're having trouble making payments or are concerned about the status of your federal student loan(s), you have options available to you.

Contact your loan servicer to discuss how to get back on track with payments. There are several affordable repayment options that you may be able to take advantage of to continue making loan payments even when times are tough.

My Loan Was Mistakenly Put in Default

SHARE LINK

If you believe your loan has been placed in default by mistake, here's what you can do to correct the error.

Situation	Solution
I'm in school at least half-time and should have received an in-school deferment.	• Contact your school's registrar to get a record of all your dates of at least half-time attendance. • Contact each school you have attended since you received your loan, so your documentation is complete. • Ask your loan servicer for the last date of attendance they have on file for you. ○ If they have the incorrect date for your last date of attendance, provide them with a copy of your documentation showing the correct date.
I was approved for deferment or forbearance.	• Ask your loan servicer to confirm the start and end dates of any deferments and

Situation	Solution
	forbearances that were applied to your loan account. ◦ If the loan servicer has incorrect information, provide documentation with the correct information.
I've made my payments on time.	• Ask your loan servicer for a statement that shows all the payments made on your student loan account. ◦ If payments you made are not listed, provide proof of payment to your loan servicer and request that the information in your account be corrected.

Defaulted Federal Loan Servicer

SHARE LINK

MAXIMUS Federal Services, Inc., is the loan servicer for defaulted federal student loans over 360 days delinquent.

EXHIBIT 195

Don't get discouraged if you're in default on your federal student loan.

You have multiple options to get out of default.

If you failed to make your payments on your federal student loan and now are in default, don't let the consequences of default affect your financial future. Find out how to get out of default.

Stopped Collection Activity and Temporary 0% Interest as a Result of the COVID-19 National Emergency

To provide relief during the COVID-19 national emergency, the U.S. Department of Education (ED) has stopped collection activity on defaulted federally owned student loans and/or grant overpayments. In addition, interest is temporarily set at 0% on defaulted federally owned student aid debt. This 0% interest and stopped collections period will last from March 13, 2020, through Sept. 30, 2020. You can still make payments if you choose.

Have questions? Find out about federal student aid flexibilities due to the COVID-19 national emergency.

- Loan Rehabilitation
- Loan Consolidation
- Repayment in Full
- Getting Help With Your Defaulted Loan

One way to get out of default is to repay the defaulted loan in full, but that's not a practical option for most borrowers. The two main ways to get out of

default are loan rehabilitation and loan consolidation. While loan rehabilitation takes several months to complete, you can quickly apply for loan consolidation. However, loan rehabilitation provides certain benefits that are not available through loan consolidation. Take a look at the chart below to compare the benefits of loan rehabilitation versus the benefits of loan consolidation.

Loan Rehabilitation and Consolidation Comparison Chart

Benefit Regained	Loan Rehabilitation	Loan Consolidation
Eligibility for Deferment	Yes	Yes
Eligibility for Forbearance	Yes	Yes
Choice of Repayment Plans	Yes	Yes (but there may be limitations—see below)
Eligibility for Loan Forgiveness Programs	Yes	Yes
Eligibility to Receive Federal Student Aid	Yes	Yes
Removal of the Record of Default From Your Credit History	Yes (but see below)	No* (see below for details)

***NOTE:** We previously indicated that loan consolidation would result in removal of the record of default from a borrower's credit history. That cell of the table has now been corrected to indicate that loan consolidation will not result in removal of the record of default from the borrower's credit history.

If you rehabilitate a defaulted loan, the record of the default will be removed from your credit history. However, your credit history will still show late payments that were reported by your loan holder before the loan went into default. If you consolidate a defaulted loan, the record of the default (as well as late payments reported before the loan went into default) will remain in your credit history. Late payments will remain on your credit report for seven years from when they were first reported. It's important that you fully understand loan rehabilitation and loan consolidation before making your decision. Learn more about loan rehabilitation and loan consolidation.

Unless you make three voluntary, on-time, full monthly payments on a defaulted loan before you consolidate it, your choice of repayment plans for the new Direct Consolidation Loan will be limited to one of the income-driven repayment plans. If you make three voluntary, on-time, full monthly payments before consolidating, you can choose from any of the repayment plans available to Direct Consolidation Loan borrowers.

Loan Rehabilitation

SHARE LINK

One option for getting your loan out of default is loan rehabilitation. To start the loan rehabilitation process, you must contact your loan holder. If you're not sure who your loan holder is, you can log in and select "View loan servicer details" to get your loan holder's contact information.

William D. Ford Federal Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program

To rehabilitate a defaulted Direct Loan or FFEL Program loan, you must

- agree in writing to make nine voluntary, reasonable, and affordable monthly payments (as determined by your loan holder) within 20 days of the due date, and
- make all nine payments during a period of 10 consecutive months.

Under a loan rehabilitation agreement, your loan holder will determine a reasonable monthly payment amount that is equal to 15 percent of your annual discretionary income, divided by 12. Discretionary income is the amount of your adjusted gross income (from your most recent federal income tax return) that exceeds 150 percent of the poverty guideline amount for your state and family size. You must provide documentation of your income to your loan holder.

If you can't afford the initial monthly payment amount described above, you can ask your loan holder to calculate an alternative monthly payment based on the amount of your monthly income that remains after reasonable amounts for your monthly expenses have been subtracted. You'll need to provide documentation of your monthly income and expenses, including a completed *Loan Rehabilitation: Income and Expense Information* form. Depending on your individual circumstances, this alternative payment amount may be lower than the payment amount you were initially offered. To rehabilitate your loan, you must choose one of the two payment amounts.

> Depending on your income, your monthly payment under a loan rehabilitation agreement could be as low as $5.

Your loan holder may be collecting payments on your defaulted loan through wage garnishment or Treasury offset (taking all or part of your tax refunds or other government payments). These involuntary payments may continue even after you begin making payments under a loan rehabilitation agreement, but they can't be counted toward the required nine voluntary loan rehabilitation payments. **Involuntary payments may continue to be taken until your loan is no longer in default or until you have made some of your rehabilitation payments.**

Once you have made the required nine payments, your loans will no longer be in default.

Federal Perkins Loan Program

To rehabilitate a defaulted Federal Perkins Loan, you must make a full monthly payment each month, within 20 days of the due date, for nine consecutive months. Your required monthly payment amount is determined by your loan holder. Find out where to go for information about your Perkins Loan.

Benefits of Loan Rehabilitation

When your loan is rehabilitated, the default status will be removed from your loan, and collection of payments through wage garnishment or Treasury offset will stop. You'll regain eligibility for benefits that were available on the loan before you defaulted, such as deferment, forbearance, a choice of repayment plans, and loan forgiveness, and you'll be eligible to receive federal student aid. Also, the record of default on the rehabilitated loan will be removed from your credit history. However, your credit history will still show late payments that were reported by your loan holder before the loan went into default.

> If you rehabilitate a defaulted loan and then default on that loan again, you can't rehabilitate it a second time. **Rehabilitation is a one-time opportunity.**

Loan Consolidation

SHARE LINK

Another option for getting out of default is to consolidate your defaulted federal student loan into a Direct Consolidation Loan. Loan consolidation allows you to pay off one or more federal student loans with a new consolidation loan.

To consolidate a defaulted federal student loan into a new Direct Consolidation Loan, you must either

- agree to repay the new Direct Consolidation Loan under an income-driven repayment plan, or
- make three consecutive, voluntary, on-time, full monthly payments on the defaulted loan before you consolidate it.

Note: If you choose to make three payments on the defaulted loan before you consolidate it, the required payment amount will be determined by your loan holder, but cannot be more than what is reasonable and affordable based on your total financial circumstances.

There are special considerations if you want to reconsolidate an existing Direct Consolidation Loan or Federal (FFEL) Consolidation Loan that is in default:

- To reconsolidate a defaulted Direct Consolidation Loan, you must also include at least one other eligible loan in the consolidation in addition to meeting one of the two requirements described above. If you have no other eligible loans that can be included in the consolidation, you cannot get out of default by consolidating a defaulted Direct Consolidation Loan. Your options are repayment in full or loan rehabilitation.
- You may reconsolidate a defaulted FFEL Consolidation Loan without including any additional loans in the consolidation, but only if you agree to repay the new Direct Consolidation Loan under an income-driven repayment plan. If you include at least one other eligible loan in the consolidation, you're eligible to reconsolidate a defaulted FFEL Consolidation Loan if you meet either of the two requirements described above.

In addition, if you want to consolidate a defaulted loan that is being collected through garnishment of your wages, or that is being collected in accordance with a court order after a judgment was obtained against you, you cannot consolidate the loan unless the wage garnishment order has been lifted or the judgment has been vacated.

If you choose to repay the new Direct Consolidation Loan under an income-driven plan, you must select one of the available income-driven repayment plans at the time you apply for the consolidation loan and provide documentation of your income.

Note: If you want to consolidate a defaulted PLUS loan that you obtained as a parent to pay for your child's education, the only income-driven plan you can choose is the Income-Contingent Repayment Plan (ICR).

If you choose to make three consecutive, voluntary, on-time, full monthly payments on your defaulted loan before you consolidate it, you may repay the new Direct Consolidation Loan under any repayment plan you are eligible for.

After your defaulted loan has been consolidated, your Direct Consolidation Loan will be eligible for benefits such as deferment, forbearance, and loan forgiveness. You'll also be eligible to receive additional federal student aid, but unlike loan rehabilitation, consolidation of a defaulted loan does not remove the record of the default from your credit history.

Learn more about consolidation and how to apply for a Direct Consolidation Loan.

Repayment in Full

SHARE LINK

A third option for getting out of default is to repay the full amount of your defaulted student loan.

If you need your loan holder's contact information to make a payment, log in and select "View loan servicer details."

Getting Help With Your Defaulted Loan

SHARE LINK

If you need help with your defaulted loan, you will need to contact the holder of your defaulted loan. Find out who holds your loan by logging in and selecting "View loan servicer details."

Note: StudentAid.gov does not include information about any private student loans you may have received. Contact the loan holder of your private student loans for loan information.

Complete Entrance Counseling

Complete TEACH Grant Counseling and Agreement to Serve

EXHIBIT 196

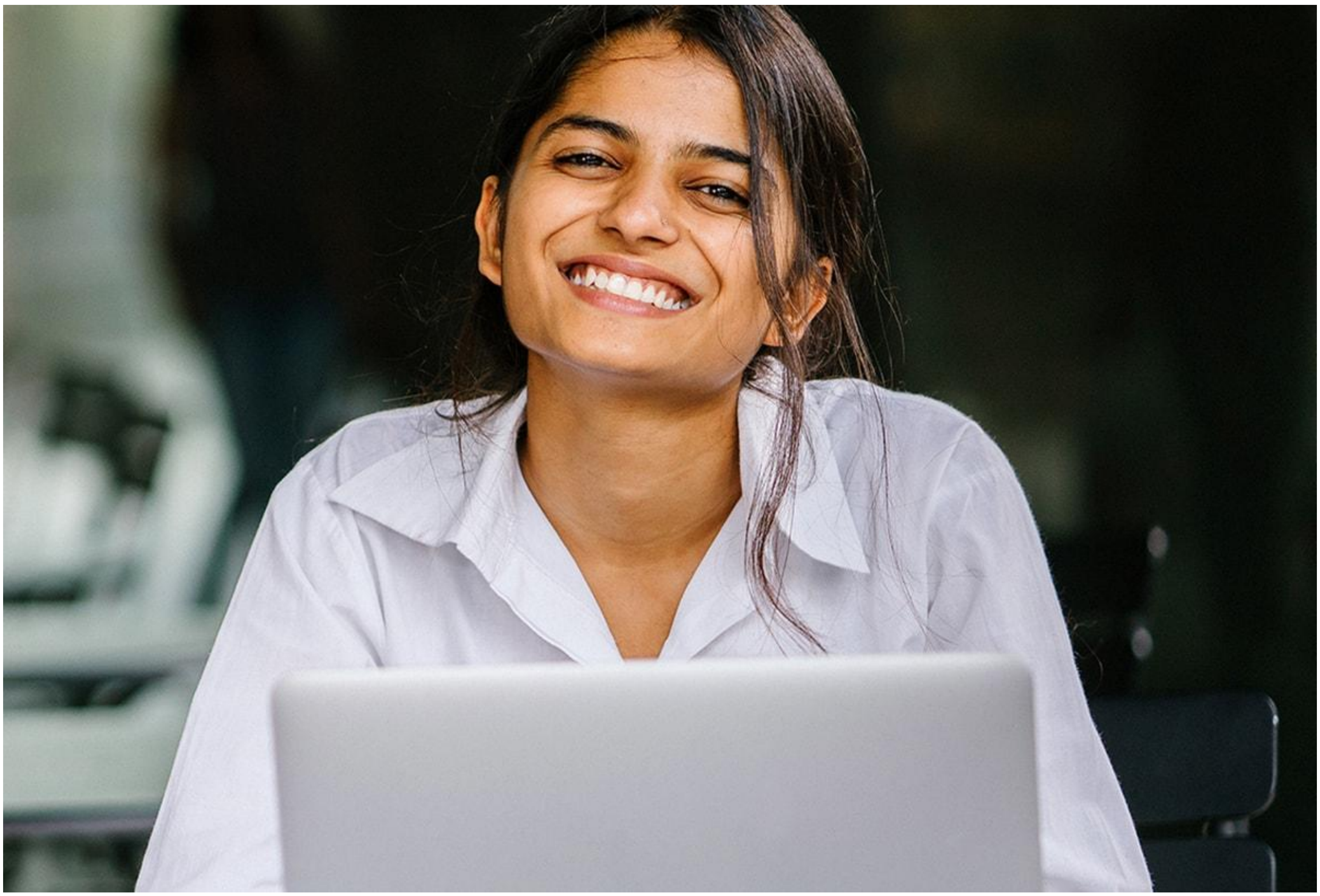
EXHIBIT FILED UNDER SEAL

EXHIBIT 197

Exhibit 197

ABOUT PAYMENTS

Your payment may be allocated and applied differently depending on whether you have a federal or private loan, the status of your loan, and if you have multiple loans that are combined into one billing or loan group.



PAYMENT ALLOCATION

Allocation is how a payment is distributed across multiple loans. When you make a payment online, you can specify which loans you would like your payment allocated toward, including any Overpayment you might make.

You can also instruct us to allocate payments differently for mailed payments. Clearly write your instructions on a separate piece of paper included with your check. We cannot process instructions written on the check or remittance slip.

PAYMENT APPLICATION

Once we allocate a payment or a portion of a payment to a specific loan or loans, that amount is applied based on the terms of each loan's promissory note. Typically, it is applied first to Unpaid Fees, then to Unpaid Interest, and then to Unpaid Principal.

IMPORTANT REMINDER

If the payment doesn't satisfy the total payment due, including past due amounts, a late fee may be assessed (except on loans owned by the U.S. Department of Education), and the amount of interest paid over the life of a loan will increase. Past due amounts may be reported to the consumer reporting agencies.

LOANS OWNED BY THE U.S. DEPARTMENT OF EDUCATION

Payments for Direct and FFELP Loans owned by the U.S. Department of Education

Learn how payments are allocated and applied to loans owned by the U.S. Department of Education.

Single Loan – Account is Current

First, the payment is applied to Unpaid Interest. Keep in mind that interest accrues daily.

Second, the payment is applied to the Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – **unless you provide special payment instructions**.*

View a payment example **(/Images/Direct-Single-Current_tcm5-1854.png)**

Single Loan – Account is Past Due

First, the payment is applied to Unpaid Interest. Keep in mind that interest accrues daily. If your payment is past due, you should anticipate that your loan will accrue more interest than when payments are made on time.

Second, the payment is applied to the Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – **unless you provide special payment instructions**.*

View a payment example **(/Images/Direct-Single-Past-Due_tcm5-1855.png)**

Multiple Loans – Account is Current

When you have multiple payments for similar loan types, we may group them together in a "Billing Group" so you will receive one consolidated statement for the loans in the Billing Group and can make one payment to cover them all.

You may request that your loans be ungrouped so that you receive separate statements by calling us at 800-722-1300.

If you have multiple loans, we first allocate the payment among your loans and then apply the payment to your Unpaid Interest and Unpaid Principal as described below.

Payment allocation:

Unless you provide special payment instructions,* once the Total Amount Due has been satisfied for all loans being paid, any Overpayment will be allocated to your loan with the highest interest rate. If you have more than one loan in the Billing Group with the same highest interest rate, then the Overpayment will be allocated to any unsubsidized loan(s) being paid, prorated according to the Monthly Payment Amount. If loans with the highest interest rate are all subsidized, then the payment will be allocated to those loans prorated by the Monthly Payment Amount. If none of your loans have a Monthly Payment Amount, we'll prorate by Current Balance.

Payment application order:

Once a portion of the payment is allocated to each loan, we apply it in the following manner:

- First, the payment is applied to Unpaid Interest. Keep in mind that interest accrues daily.
- Second, the payment is applied to the Unpaid Principal.
- We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – **unless you provide special payment instructions**.*

View a payment example **(/Images/Direct-Multiple-Current_tcm5-1856.png)**

Multiple Loans – Account is Past Due

If you have multiple loans, we first allocate the payment among your loans and then apply the payment to your Unpaid Interest and Unpaid Principal as described below.

Payment allocation:

Unless you provide special payment instructions,* the payment will be allocated first to loans with the oldest delinquency, prorated by the Past Due Amount for each loan by billing cycle. When all loans are at the same delinquency level, the payment will go to each loan in the Billing Group, prorated according to its Current Amount Due.

For residents of Colorado, Maine, New Jersey, New York, and Rhode Island, your Underpayment will be allocated to satisfy as many individual loan payments as possible, first to loans with the oldest delinquency, in order from lowest to greatest Past Due Amount by billing cycle. Any remaining amount will be prorated across loans that share the same age of delinquency that have not yet been paid.

Unless you provide special payment instructions,* with the exception of payments made by Auto Pay, once the Total Amount Due has been satisfied for all loans being paid, any Overpayment will be allocated to your loan with the highest interest rate. If you have more than one loan in the Billing Group with the same highest interest rate, then the Overpayment will be allocated to any unsubsidized loan(s) being paid, prorated according to the Monthly Payment Amount. If loans with the highest interest rate are all subsidized, then the payment will be allocated to those loans prorated by the Monthly Payment Amount.

Payment application order:

Once a portion of the payment is allocated to each loan, we apply it in the following manner:

- First, the payment is applied to Unpaid Interest. Keep in mind that interest accrues daily. If your payment is past due, you should anticipate that your loan will accrue more interest than when payments are made on time.
- Second, the payment is applied to the Unpaid Principal.

Unless you provide special payment instructions, * we'll apply Overpayments to advance your due date by the number of payments you cover. Even when loans are paid ahead, your Auto Pay amount will always be equal to the total of the Monthly Payment Amounts for your loans in Auto Pay.

View a payment example **(/Images/Direct-Multiple-Past-Due_tcm5-1857.png)**

*Providing Special Payment Instructions

FEDERAL AND PRIVATE LOANS OWNED BY NAVIENT OR OTHER NON-GOVERNMENT LENDERS

Payments for FFELP, HEAL, and Private Loans owned by Navient or other non-government lenders

Learn how payments are allocated and applied.

Single Loan – Account is Current

Payments are applied based on the terms of each loan's promissory note.

First, the payment is typically applied to Unpaid Fees.

Second, the payment is typically applied to Unpaid Interest. Keep in mind that interest accrues daily.

Third, the payment is applied to the Unpaid Principal.

If you have a FFELP loan in an Income-Based Repayment (IBR) plan, the payment goes first to Unpaid Interest, then to Unpaid Fees, and then to Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – unless you provide special payment instructions.* For loans with a 16-digit account number, unless your loans are repaid through Auto Pay, an Overpayment less than your next Monthly Payment Amount will reduce the amount of your next payment due.

Even when loans are paid ahead, your Auto Pay amount will always be equal to the total of the Monthly Payment Amounts for your loans in Auto Pay.

View a payment example **(/Images/Private-Single-Current_tcm5-1893.png)**

Single Loan – Account is Past Due

Payments are applied based on the terms of each loan's promissory note.

First, the payment is typically applied to Unpaid Fees.

Second, the payment is typically applied to Unpaid Interest. Keep in mind that interest accrues daily. If your payment is past due, you should anticipate that your loan will accrue more interest than when payments are made on time.

Third, the payment is applied to the Unpaid Principal.

If you have a FFELP loan in an Income-Based Repayment (IBR) plan, the payment goes first to Unpaid Interest, then to Unpaid Fees, and then to Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – unless you provide special payment instructions.* For loans with a 16-digit account number, unless your loans are repaid through Auto Pay, an Overpayment less than your next Monthly Payment Amount will reduce the amount of your next payment due.

Even when loans are paid ahead, your Auto Pay amount will always be equal to the total of the Monthly Payment Amounts for your loans in Auto Pay.

View a payment example **(/Images/Private-Single-Past-Due_tcm5-1894.png)**

Multiple Loans – Account is Current

When you have multiple payments for similar loan types, we may group them together in a "Loan Group" or "Billing Group" so you will receive one consolidated statement for the loans in the group and can make one payment to cover them all.

You may request that your loans be ungrouped so that you receive separate statements by calling us at 888-272-5543.

If you have multiple loans, we first allocate the payment among your loans and then apply the payment to your Unpaid Fees, Unpaid Interest, and Unpaid Principal as described below.

Payment allocation:

Unless you provide special payment instructions,* we will first allocate to your loans based on the Current Amount Due. If the amount of your payment exceeds the Current Amount due but is less than the Total Payment Due, the remainder of your payment will be prorated based on any Unpaid Fees. With the exception of payments made by Auto Pay, once the Total Amount Due has been satisfied for all loans being paid, any Overpayment will be allocated to your loan with the highest interest rate. If you have more than one loan in the Billing Group with the same highest interest rate, then the Overpayment will be allocated to any unsubsidized loan(s) being paid, prorated according to the Monthly Payment Amount. If loans with the highest interest rate are all subsidized, then the payment will be allocated to those loans prorated by the Monthly Payment Amount. If none of your loans have a Monthly Payment Amount, we'll prorate by Current Balance.

Payment application order:

Payments are applied based on the terms of each loan's promissory note.

First, the payment is typically applied to Unpaid Fees.

Second, the payment is typically applied to Unpaid Interest. Keep in mind that interest accrues daily. If your payment is past due, you should anticipate that your loan will accrue more interest than when payments are made on time.

Third, the payment is applied to the Unpaid Principal.

If you have a FFELP loan in an Income-Based Repayment (IBR) plan, the payment goes first to Unpaid Interest, then to Unpaid Fees, and then to Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – unless you provide special payment instructions.* For loans with a 16-digit account number, unless your loans are repaid through Auto Pay, an Overpayment less than your next Monthly Payment Amount will reduce the amount of your next payment due.

Even when loans are paid ahead, your Auto Pay amount will always be equal to the total of the Monthly Payment Amounts for your loans in Auto Pay.

View a payment example **(/Images/Private-Multiple-Current_tcm5-1895.png)**

Multiple Loans – Account is Past Due

If you have multiple loans, we first allocate the payment among your loans and then apply the payment to your Unpaid Fees, Unpaid Interest, and Unpaid Principal as described below.

Payment allocation:

Unless you provide special payment instructions,* the payment will be allocated first to loans with the oldest delinquency, prorated by the Past Due Amount for each loan by billing cycle. When all loans are at the same delinquency level, the payment will go to each loan in the Billing Group, prorated according to its Current Amount

Due.

For residents of Colorado, Maine, New Jersey, New York, and Rhode Island, your Underpayment will be allocated to satisfy as many individual loan payments as possible, first to loans with the oldest delinquency, in order from lowest to greatest Past Due Amount by billing cycle. Any remaining amount will be prorated across loans that share the same age of delinquency that have not yet been paid.

If the amount of your payment exceeds the Current Amount due but is less than the Total Payment Due, the remainder of your payment will be prorated based on any Unpaid Fees. With the exception of payments made by Auto Pay, once the Total Amount Due has been satisfied for all loans being paid, any Overpayment will be allocated to your loan with the highest interest rate. If you have more than one loan in the Billing Group with the same highest interest rate, then the Overpayment will be allocated to any unsubsidized loan(s) being paid, prorated according to the Monthly Payment Amount. If loans with the highest interest rate are all subsidized, then the payment will be allocated to those loans prorated by the Monthly Payment Amount. If none of your loans have a Monthly Payment Amount, we'll prorate by Current Balance.

Payment application order:

Payments are applied based on the terms of each loan's promissory note.

First, the payment is typically applied to Unpaid Fees.

Second, the payment is typically applied to Unpaid Interest. Keep in mind that interest accrues daily. If your payment is past due, you should anticipate that your loan will accrue more interest than when payments are made on time.

Third, the payment is applied to the Unpaid Principal.

If you have a FFELP loan in an Income-Based Repayment (IBR) plan, the payment goes first to Unpaid Interest, then to Unpaid Fees, and then to Unpaid Principal.

We will advance your payment due date by the number of full Monthly Payments that are covered by any Overpayment – unless you provide special payment instructions.* For loans with a 16-digit account number, unless your loans are repaid through Auto Pay, an Overpayment less than your next Monthly Payment Amount will reduce the amount of your next payment due.

Even when loans are paid ahead, your Auto Pay amount will always be equal to the total of the Monthly Payment Amounts for your loans in Auto Pay.

View a payment example **(/Images/FFELP-Multiple-Past-Due_tcm5-1896.png)**

*Providing Special Payment Instructions

PAYMENT GLOSSARY

View All Glossary Terms

Account Number

The primary identifier for an account at the customer level. It is a reference for all the loans associated with that customer.

Accrued Interest

Interest that has accrued during the prior Billing Cycle.

Approved Loan Amount

The original amount of funds that were approved for the customer.

Approximate Daily Interest

To find out how much interest accrues daily, use this formula: (Unpaid Principal balance x Interest Rate) ÷ Number of Days in the Year = Approximate Daily Interest.

Approximate Interest Due

Approximate Daily Interest x number of days in your billing period = Approximate Interest Due.

Balance

The amount of debt still owed on an account.

Billing Cycle

The period of time between the generation of billing statements. The Billing Cycle's start and end dates may or may not be the same as the Billing Period's start and end dates.

Billing Group

One or more loans that are combined in a grouping to allow customers to receive a single billing device and make a single payment for the respective loan(s).

Billing Period

The interval of time during which bills are prepared. The Billing Period start and end dates may not be the same as the Billing Cycle start and end dates.

Capitalized Interest

Accrued interest that has been added to the Unpaid Principal balance. Since the interest that is capitalized gets added to the principal, the customer will accrue interest on a higher balance.

Current Amount Due

The Monthly Payment Amount or the remainder of the Monthly Payment Amount if an overpayment was received in a previous Billing Cycle.

Current Balance

Unpaid Principal + Unpaid Interest + Unpaid Fees, if applicable.

Disbursement Date

The date when the Approved Loan Amount was paid to the borrower or school.

Disbursement Fee

A fee charged to the customer for the loan being disbursed. This is added to the loan amount at disbursement and is based on the borrower's or cosigner's credit history. Also known as an Up-Front or Front-End Fee.

Disbursed Principal

Original Principal less fees charged at time of loan origination.

Fees Assessed

The sum of the charges assigned in the prior Billing Cycle.

Last Payment Effective Date

The date the most recent payment was credited to the account within the last billing period.

Late Fee

A charge that is assessed if your payment is not made by the date presented on your billing statement to avoid such fee.

Loan Group

One or more loans that are combined in a grouping to allow customers to receive a single billing device and make a single payment for the respective loan(s).

Loan Group Number

The numeric identifier utilized to distinguish a Loan/Billing Group.

Loan ID

The numeric identifier utilized to distinguish an individual loan.

Loan's Outstanding Balance

Current Balance less the amount of an overpayment that has already satisfied the Past Due Amount and Current Amount Due (if applicable).

Monthly Payment Amount

The amount required each month to repay the loan according to the repayment schedule.

Monthly Payment

The amount required each month to repay the loan according to the repayment schedule.

Original Principal

The original approved loan amount.

Other Fees

A charge or charges assessed based on qualifying conditions that are disclosed on the promissory note.

Overpayment

The portion of a payment received in excess of the Past Due Amount + Current Amount Due + Unpaid Fees.

Past Due Amount

The remainder of monthly payment amounts from previous Billing Cycles that have not been satisfied by the customer (this does not include fees).

Previous Statement Balance

The prior month's billing statement's "Current Balance".

Principal Reduction

The amount of funds that have reduced the Unpaid Principal in the prior Billing Cycles.

Repayment Fee

A fee charged to the customer for entering repayment. It is a percentage of the principal balance after Unpaid Interest has been capitalized. Also known as a Back End Premium Fee.

Returned Check Fee

A charge that is assessed when a payment does not clear the bank for any reason, including insufficient funds, missing signature, or account closure.

Total Payment Due

Past Due Amount + Current Amount Due + Unpaid Fees. This is the amount the customer needs to pay in order to complete their repayment schedule by the projected date (by paying the fees, the remainder of the payment is the amount needed to satisfy the interest and/or principal- expected in the repayment schedule).

Underpayment

A payment received that is insufficient to cover the Past Due Amount + Current Amount Due.

Unpaid Fees

Fees that were assessed to the customer in the past and have not been satisfied.

Unpaid Interest

Overall interest that has accrued that has not yet been satisfied by the customer.

Unpaid Principal

The Original Principal (the original loan amount borrowed by the customer), less any prior reductions to the Original Principal, plus any interest that has been capitalized.

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